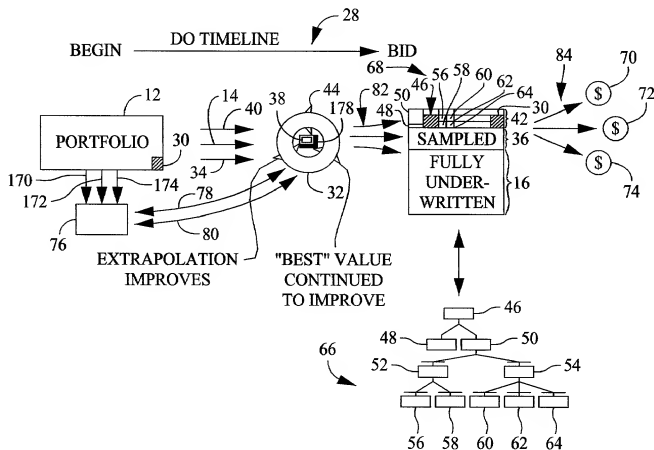
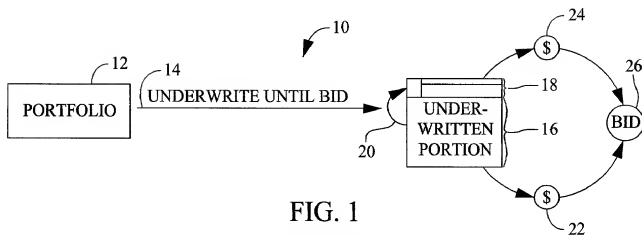


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FROM FIG. 3

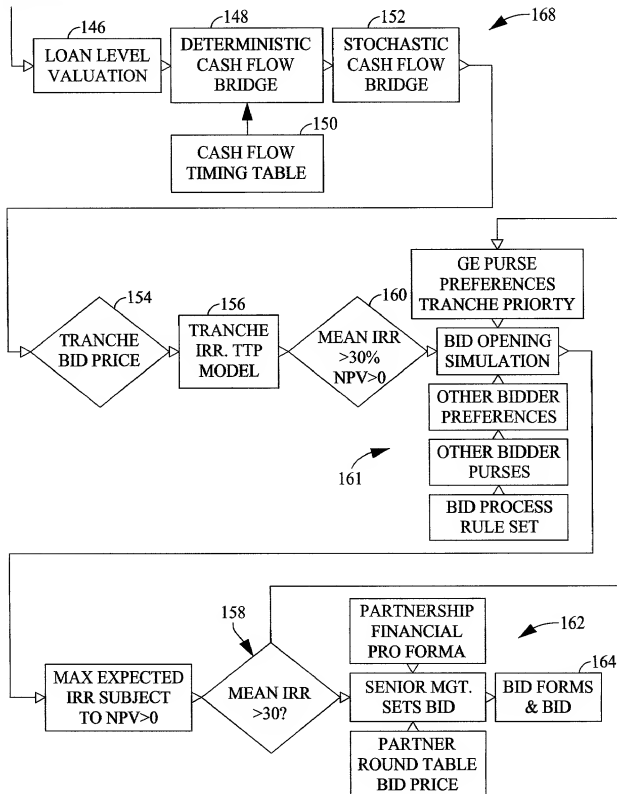


FIG. 4

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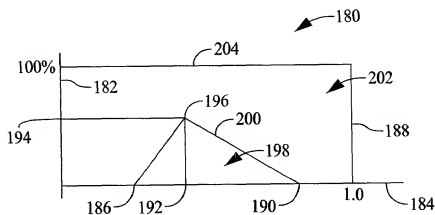


FIG. 5

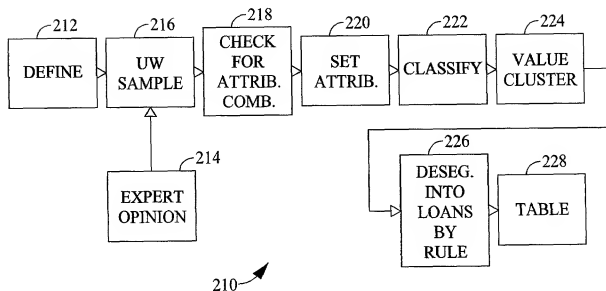


FIG. 6

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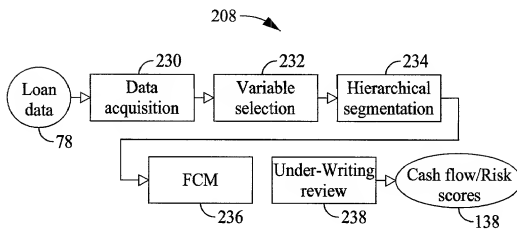


FIG. 7

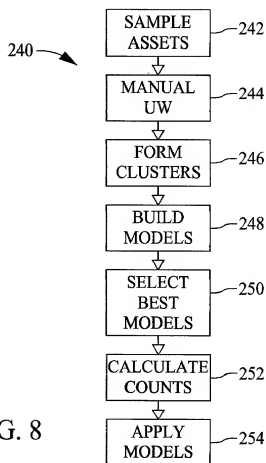


FIG. 8

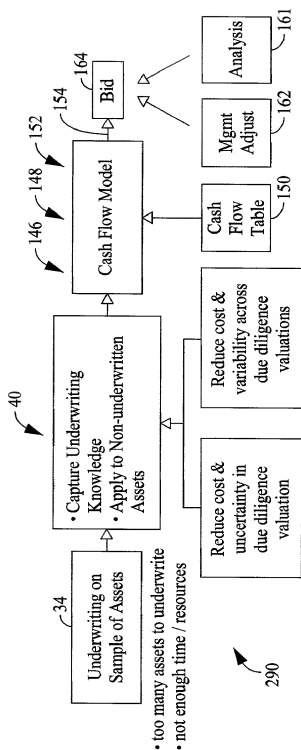


FIG. 9

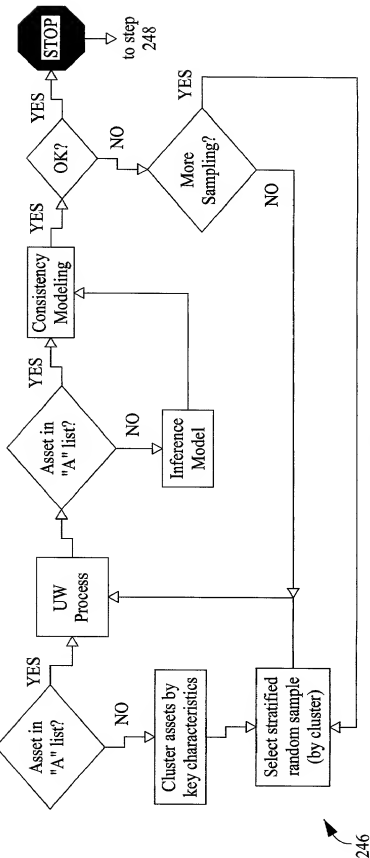
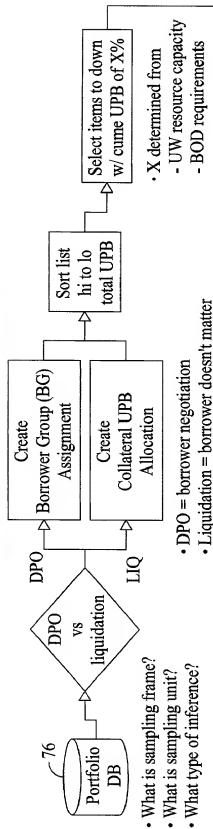


FIG. 10

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6 Models Built:

- models differ by which variables used
- UW assets get the minimum error prediction (actual - predicted)

Variables Used

Land Area
 Bldg Area
 Old Appraisal
 GEN1 Predicted Current Appraisal
 GEN1 Predicted Realized Price
 Property Type
 Location
 -BY-
 Com/Res
 Group (cluster)

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	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Land Area	X		X	X	X	
Bldg Area	X		X	X	X	
Old Appraisal						X
GEN1 Predicted Current Appraisal	X	X	X	X	X	
GEN1 Predicted Realized Price	X	X	X	X	X	
Property Type	X	X	X			
Location	X	X		X		
Com/Res	X	X	X	X	X	X
Group (cluster)	X	X	X	X	X	X

Model "Weights":

- each cell is count of times the model produced best prediction for UW assets
- determines weights for averaging predictions for non-UW assets

	Asset Class	Group	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Sum
256 Model Court Auction	Commercial	1	13	13	13	8	8	32	87
		2	29	25	29	24	22	19	148
	Total								235
Court Auction	Residential	1	5	5	10	15	4	12	51
		2	4	7	9	3	13	23	59
	Total								163
Market Value	Commercial	1	16	13	11	10	15	21	86
		2	29	22	29	27	24	19	150
	Total								236
Market Value	Residential	1	5	8	4	9	11	14	51
		2	8	8	10	0	15	18	59
	Total								164

FIG. 11

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Variable	Category/Value Range	Encoding Scheme
Loan secured	(Yes, No)	Yes = 1 else 0
Loan type	(Revolving, Non-revolving)	Revolving = 1 else 0
Last payment	(0, 250 MM)	0 if last payment = 0 else 1
Notice of default sent		Prior to Jun 97 equals 1 else 0
Original maturity date		Prior to Jun 97 equals 1 else 0
Syndicated Loan	(Yes, No)	Yes = 1 else 0
Loan guaranteed	(Yes, No, NAV)	Yes = 1 else 0
Collection score	(0, 1)	
Lien position	(-1, 0, 1)	1 if Lien position = 1 else 0
Current unpaid balance/Original balance	(0, 2.9)	Normalized to (0, 1)
Last payment to Interest/Last payment	(0, 1)	

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FIG. 12

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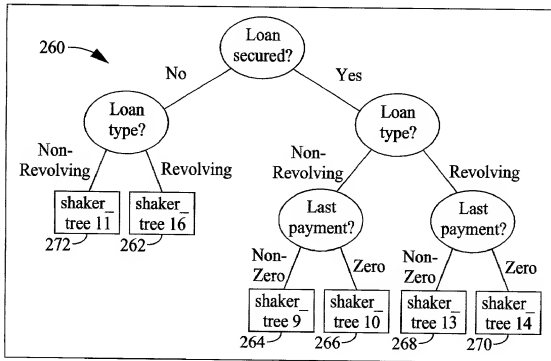


FIG. 13

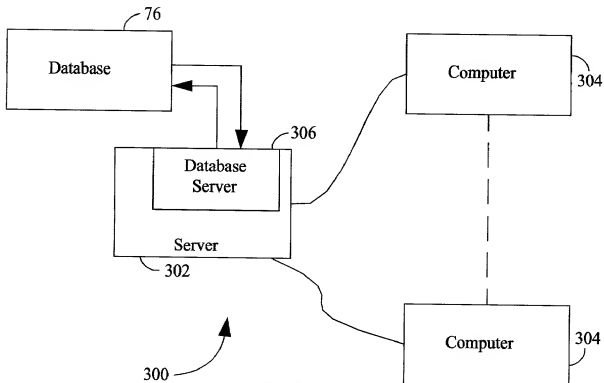


FIG. 14

